

§ 537.403

modification, or revocation had not been made.

§ 537.403 Termination and acquisition of an interest in blocked property.

(a) Whenever a transaction licensed or authorized by or pursuant to this part results in the transfer of property (including any property interest) away from a person, such property shall no longer be deemed to be property blocked pursuant to § 537.201(a), unless there exists in the property another interest that is blocked pursuant to § 537.201(a) or any other part of this chapter, the transfer of which has not been effected pursuant to license or other authorization.

(b) Unless otherwise specifically provided in a license or authorization issued pursuant to this part, if property (including any property interest) is transferred or attempted to be transferred to a person whose property or interests in property are blocked pursuant to § 537.201(a), such property shall be deemed to be property in which that person has an interest and therefore blocked.

§ 537.404 Transactions incidental to a licensed transaction authorized.

(a) Any transaction ordinarily incidental to a licensed transaction and necessary to give effect thereto is also authorized, except:

(1) A transaction, not explicitly authorized within the terms of the license, by or with a person whose property or interests in property are blocked pursuant to § 537.201(a), except as provided in paragraph (b) of this section; or

(2) A transaction, not explicitly authorized within the terms of the license, involving a debit to a blocked account or a transfer of blocked property, except as provided in paragraph (b) of this section.

(b) Transactions licensed pursuant to subpart E of this part and those transactions falling within the scope of paragraph (a) of this section are authorized even though they may involve transfers to or from an account of a financial institution whose property or interests in property are blocked pursuant to § 537.201(a), provided that the

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account is not on the books of a financial institution that is a U.S. person.

§ 537.405 Provision of services.

(a) Except as provided in § 537.210, the prohibitions on transactions involving blocked property contained in § 537.201 apply to services performed in the United States or by U.S. persons, wherever located, including by an overseas branch of an entity located in the United States:

(1) On behalf of or for the benefit of a person whose property or interests in property are blocked pursuant to § 537.201(a); or

(2) With respect to property interests subject to § 537.201.

(b) *Example:* U.S. persons may not, except as authorized by or pursuant to this part, provide legal, accounting, financial, brokering, freight forwarding, transportation, public relations, or other services to a person whose property or interests in property are blocked pursuant to § 537.201(a).

NOTE TO § 537.405: See §§ 537.507 and 537.508 on licensing policy with regard to the provision of certain legal or medical services, respectively.

§ 537.406 Offshore transactions.

The prohibitions in § 537.201 on transactions involving blocked property apply to transactions by any U.S. person in a location outside the United States with respect to property that the U.S. person knows, or has reason to know, is held in the name of a person whose property or interests in property are blocked pursuant to § 537.201(a) or in which the U.S. person knows, or has reason to know, a person whose property or interests in property are blocked pursuant to § 537.201(a) has or has had an interest since the effective date.

§ 537.407 Payments from blocked accounts to satisfy obligations prohibited.

Pursuant to § 537.201, no debits may be made to a blocked account to pay obligations to U.S. persons or other persons, except as authorized by or pursuant to this part.